

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company Regarding Year Seven (2000-2001) Under Its Experimental Gas Cost Incentive Mechanism and Related Gas Supply Matters. (U 904 G)

Application 01-06-027
(Filed June 15, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING A PREHEARING CONFERENCE FOR YEAR SEVEN
OF THE GAS COST INCENTIVE MECHANISM**

Southern California Gas Company (SoCalGas) filed the above-captioned application on June 15, 2001. A prehearing conference (PHC) was held on October 29, 2001, to discuss a proposed schedule and the scope of issues covered by SoCalGas' application.

At that PHC, the ALJ stated that the processing of this application would depend on the outcome in SoCalGas' Gas Cost Incentive Mechanism (GCIM) application for Phase 2 of Year Six, Application (A.) 00-06-023. SoCalGas, The Utility Reform Network, and the Office of Ratepayer Advocates filed a motion in A.00-06-023 to adopt a settlement to resolve the Phase 2 issues. The settlement was opposed by Southern California Edison Company and the Southern California Generation Coalition. The Commission held two days of hearings on the Phase 2 issues and the proposed settlement, and adopted the settlement in Decision (D.) 02-06-023.

The settlement adopted in D.02-06-023 modified the GCIM for Year Seven and beyond, and continued the GCIM, as modified, until further modified or

terminated by the Commission. As a result of modifications to the GCIM, the shareholder award for the Year Seven GCIM was reduced to \$30.8 million from the pre-settlement GCIM shareholder award of \$106.1 million.

Since D.02-06-023 resolved the modifications to the GCIM structure for Year Seven and beyond, and continued the GCIM, it is appropriate to schedule another PHC to determine how the Commission should proceed with the processing of SoCalGas' Year Seven GCIM application. Accordingly, a PHC will be held on November 6, 2002, at 11:00 a.m., to discuss the processing of this application. SoCalGas, and other interested parties may file PHC statements regarding how the Commission should proceed, what issues need to be resolved, whether hearings are necessary, and a proposed schedule. The PHC statements are to be filed on or before November 1, 2002, and an electronic copy shall be served on the undersigned and on the service list in this proceeding.

IT IS RULED that:

1. A prehearing conference (PHC) will be held on November 6, 2002, at 11:00 a.m., in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco.
2. Southern California Gas Company, and other interested parties, may file PHC statements with the Docket Office on or before November 1, 2002.
 - a. The PHC statements should address the party's position on how the Commission should proceed, what issues need to be resolved, whether hearings are necessary, and a proposed schedule.

- b. A copy of the PHC statement shall be electronically served on the undersigned (jsw@cpuc.ca.gov) and to the service list in this proceeding.

Dated October 9, 2002, at San Francisco, California.

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting a Prehearing Conference for Year Seven of the Gas Cost Incentive Mechanism on all parties of record in this proceeding or their attorneys of record.

Dated October 9, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.